



PRESS RELEASE

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MESA MAN INDICTED, ARRESTED IN FRAUD AND THEFT FROM CHARITY CAMPAIGN

PHOENIX, ARIZONA -- The United States Attorney's Office for the District of Arizona announced that on June 21, 2002, LENWOOD I. COLEMAN, DOB 11/25/55, of Mesa, Arizona, was arrested and arraigned on a 23-count indictment returned by a federal grand jury at Phoenix, Arizona, alleging mail fraud, theft of public money, and false statements.

The indictment alleges that from 1995 through 1997, COLEMAN, through his not-for-profit company, Legacy Foundation, Inc., bid for and won three successive contracts to administer the Combined Federal Campaign, or CFC, which is a coordinated annual campaign to solicit charitable giving by all federal employees in Maricopa County to the local, national or international charitable organization of their choice. As administrator of the CFC for each of those years, COLEMAN's responsibilities included coordinating the solicitation of the employees at each federal department or agency operating within Maricopa County, collecting and banking those employees' pledges, which came in the form of checks and payroll deduction and totaled nearly \$1 million annually, distributing the funds to the charitable organizations designated by the contributing employees, and accounting for the distribution of all pledged and contributed amounts, less only the legitimate and approved expenses of operating the campaigns.

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The indictment further alleges that from no later than February, 1996, through April, 2000, COLEMAN executed a scheme to defraud the CFC of these charitable contributions, and diverted the funds from their intended recipients to his own personal use, as well as to the use of his separate, for-profit businesses, which COLEMAN ran alongside the not-for-profit Legacy Foundation. In addition to the Mail Fraud allegation, the indictment alleges 21 separate instances from mid-1998 through April, 2000, after COLEMAN had lost the contract to administer any new CFCs, where COLEMAN withdrew or transferred funds from CFC bank accounts for his own use or for the use of his for-profit businesses. The 21 post-campaign withdrawals totaled over \$128,000 of charitable contributions.

COLEMAN presently is in custody awaiting a detention hearing, which is set for June 28 at the United States Courthouse in Phoenix. The indictment charges COLEMAN with violating Title 18 of the United States Code, Sections 1341 (Mail Fraud—1 count), 641 (Theft/Embezzlement of Public Money—21 counts), and 1001 (False Statement to a federal agency—1 count).

A conviction for Theft of Public Money carries a maximum penalty of 10 years imprisonment, a \$250,000 fine, or both, for each count. A conviction for Mail Fraud or False Statement carries a maximum penalty of five years, a \$250,000 fine, or both, for each count.

An indictment is simply the method by which a person is charged with criminal activity and raises no inference of guilt. An individual is presumed innocent until competent evidence is presented to a jury that establishes guilt beyond a reasonable doubt.

The investigation preceding the indictment was conducted by the United States Office of Personnel Management/Office of Inspector General and the Federal Bureau of Investigation.

The prosecution is being handled by John J. Tuchi, Assistant United States Attorney, District of Arizona, Phoenix, Arizona.

CASE NUMBER: CR-02-487-PHX-ROS
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